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PREAMBLE

This Agreement is made and entered into this 10th day of April 2000 by and between Lockheed Martin Logistics Management a subsidiary of Lockheed Martin Corporation (hereinafter also referred to as the Company) and Aeronautical Industrial District Lodge 776 International Association of Machinists and Aerospace Workers, AFL-CIO, (hereinafter referred to as the Union).

ARTICLE I

INTENT AND PURPOSE

Section 1

It is the intent and purpose of the Company and the Union to ensure Industrial peace and to set forth herein the entire agreement with respect to wages, hours, and working conditions as relates to the Government contract covered by this Agreement.

Section 2

Further it is the mutual intent of the parties to promote to the fullest the efficiency of the operation and production of the employees; that operations must be uninterrupted and duties faithfully performed in order for the company and its employees to fulfill their mutual and vital responsibilities to both the public and to the Government; and that the business of the Company must be operated with economy and efficiency with due regard to competitive conditions.

Section 3

It is recognized by the Agreement to be the duty of the Company, the Union, and the employees to cooperate fully, both individually and collectively, for the advancement of said conditions; and to provide a fair and prompt grievance procedure for the peaceful settlement of employee grievances, and to provide that there shall be no interruption and impeding of operations during the term of this Agreement.

Section 4

The Union recognizes that the Company is a contractor to the Federal Government and that the Company is required at all times to fully meet its obligations as a contractor. Nothing in this Agreement is intended nor will any provision of this Agreement prevent the Company from fully meeting its obligations and responsibilities as a contractor. The Union recognizes that from time to time the Government may impose various legal and /or lawful demands or obligations upon the Company and that the Company and its employees must meet such demands or obligations or comply with such rules and regulations as may be promulgated or imposed by the Government.

ARTICLE II

Rights of Management

Section 1

The Company has, and will retain, the sole and exclusive right, except as expressly and specifically modified by one or more specific provisions of this Agreement, to manage the business and direct the workforce, including, but not limited to, the right to plan, direct and control all business and work operations, discipline, suspend or discharge for just cause, to hire, promote, demote, classify, reclassify, reassign, transfer and layoff. Any of the rights, powers and authority not specifically abridged by the Agreement are retained by the Company.

ARTICLE III

Recognition and Exclusive Representation

Section 1

The Company recognizes the Union certified by the National Labor Relations Board (Cases No. 16-RC-9061, 16-RC-9559 and 16-RC-9303) as the exclusive representative of all employees stipulated in the Board's Certification of Representation as follows:

Section 2

All production, maintenance and technical employees, including all leadmen, senior mechanics, mechanics, senior specialists, specialists, inspectors, senior controllers, workload controllers, chauffeurs, truck drivers, janitors and clerks employed in the Employer's Sheppard Air Force Base operation in Wichita Falls, Texas, excluding all professional and managerial employees and all confidential clerical positions as determined by the Act.

ARTICLE IV

Union Security and Dues Check Off

Section 1

During the existence of the Agreement, The Company, insofar as permitted by State and Federal Law shall deduct out of the current net earnings payable to an employee covered by this Agreement, Union dues, initiation fees and reinstatement fees, upon receipt of and in accordance with a deduction authorization, duly executed by the employee, on a card as agreed between the company and the Union and shall continue deductions until such authorization is duly revoked by the employee.

Section 2

In making deductions and remittances for reinstatement fees, initiation fees and dues to the Union, the company is entitled to rely upon the notification of the Secretary Treasurer of District Lodge 776 of the amount of money due to the Union by an employee. The Union agrees to and does hereby hold and save the Company harmless from any and all liability, responsibility, or damage for deduction, payment authorization, or notification as provided for in this Article, specifically including, but not limited to, the company's agreement to deduct Union dues, initiation fees and reinstatement fees from the employee's pay check and the Union assumes full responsibility for the disposition of the funds so deducted when turned over to the Secretary-Treasurer of the Union.

Section 3

Deduction from money due the employee pursuant to this Article shall be made from the net earnings due the employee payable on the first regular payday in each month, provided the Company has received such authorization and notice from the Secretary-Treasurer of District Lodge 776 by the 25th day of the preceding month in which such deductions are made. There shall be only one remittance per month by the Company.

Section 4

In the event an employee does not have sufficient earnings on the first regular payday in the month to cover the amount of said deductions for that month, the Company shall make such deductions from the earnings due the employee on the first regular payday of the next succeeding month. Except as provided above, deductions for dues shall be for the current month only .

Section 5

Deductions shall be remitted to the Secretary-Treasurer of District Lodge 776 not later than ten (10) days following the payday on which the deductions were made. The Company shall furnish to the Secretary-Treasurer of District Lodge 776 at the same time, a list showing those members for whom deductions have been made and the amount thereof, along with a list showing those members for whom deductions were not made during the same pay period.

Section 6

Should an employee be promoted or transferred to a classification not covered by this Agreement, the Company shall cease deducting dues from such employee. When ceasing to deduct dues for reasons cited in this Section, the Company shall submit the names of such employees, and the reasons for no deductions to the Secretary-Treasurer of District Lodge 776.

Section 7

There shall be no solicitation of employees for Union membership or dues conducted upon the premises of the Company during times when either the employees being solicited or the employees performing such solicitation are being paid by the company to perform work.

Section 8

For the purpose of implementing the payroll deductions described in the article the following individual authorization form will be used.

ARTICLE V

Stewards/Visitations

Section 1

The Company agrees to recognize the Stewards and Chief Steward duly authorized by the Union to represent those employees covered by the terms of this Agreement. The number of Stewards and Chief Steward shall be in that number required by the Union to assure employees in the unit ready access to a Steward in their assigned work location. It is agreed this objective can be achieved with not more than thirteen (13) Stewards, and one (1) Chief Steward unless modified by mutual agreement.

Section 2

For the purposes outlined above, the Union agrees to supply the Company in writing, and shall maintain with the company on a current basis, a complete list of all Union Stewards and the Chief Steward. The Company will provide this information to each Supervisor having authority over employees covered by this Agreement.

Section 3

Subject to other provisions of this Article, reasonable and necessary time, during work hours, shall be authorized without loss of pay or benefits to permit Stewards to carry out their responsibilities to the employees in the unit. Furthermore, the Union will ensure that Stewards engage only in those activities which are authorized by this Agreement or appropriate regulations and will not unreasonably interfere with the assigned duties of employees. The Chief Steward or Shop Steward will be allowed to meet new bargaining unit employees on their first day of employment.

Section 4

Recognizing the mutual benefit of resolving problems at the lowest level, the employees who have a complaint or grievance may discuss the matter with their Steward. The necessary time away from the Steward's official work assignment shall be scheduled as far in advance as practical to minimize interruption of work flow. When the Steward finds it necessary to discuss a problem or labor—management disagreement with a unit employee and/or management official, the Stewards shall request permission to leave their work area. Upon entering the work area of another Supervisor's responsibility, the Steward will contact the Supervisor before attempting to contact any employee. In each instance, the Supervisor's permission will be granted promptly unless compelling work commitments dictate otherwise. If permission is denied, the Supervisor will promptly establish an alternate time at which the Steward can contact the employee(s).

Section 5

The scope of the Steward's activities on Company time shall be limited to the following:

- (a) To consult with an employee regarding a question concerning this Agreement, complaint, or grievance for which the employee desires a Steward to be present.
- (b) To investigate a complaint or grievance before presentation to the appropriate Supervisor.
- (c) To present a question concerning this Agreement, complaint or grievance to an employee's immediate Supervisor in an attempt to settle the matter for the employee or group of employees who may be similarly affected.
- (d) To meet with an appropriate Supervisor or other designated representative of the company when necessary to adjust grievances in accordance with the grievance procedure of this Agreement.

Section 6

Subject to existing security regulations, authorized representatives of the Union shall have access to the Company's work areas during working hours for the purpose of investigating grievances or complaints that have arisen or attending meetings in accordance with the Grievance Procedures. Before doing so he/she shall report to the Personnel Manager or other authorized Company representative, who shall permit said Union representative to enter the Company's premises, provided that such right shall be exercised reasonably and will not interfere with the normal conduct of the Company's operations.

Section 7

Stewards shall be employees of the Company selected from among those employees they represent. Areas of representation shall be determined by mutual agreement of the Company and the Union. The areas of representation are as outlined in the Memoranda of Agreement.

Section 8

No Steward will be transferred out of his/her assigned work area or to a different shift so long as there is work available therein which he/she is qualified to perform, except by agreement of the Company and the Union.

Section 9

Stewards shall not handle any grievance arising outside of their respective areas, unless the steward assigned to an area is absent and is not expected to return to work promptly enough to handle the grievance, in which event the steward or chief steward assigned to

the area nearest the area of the absent steward will be permitted to handle grievances in such absent steward's area.

Section 10

Stewards and members of the Negotiating Committee with one (1) year of service with the Contract shall have top seniority among the group which they represent as long as they remain officially in such capacity for the Union and work is available in their group which they are capable of performing.

Section 11

There shall be no solicitation of complaints or grievances, where there is no known complaint or grievance by the Union.

Section 12

It is agreed that the Company shall not be required to pay employees for any time that they are taken away from their work except as provided in the agreement.

ARTICLE VI

No Strike and No Lockout

Section 1

It is expressly understood and agreed that the business of the Company is directly related to the important and vital work of the United States Government and the EURO-NATO community and that efficient and uninterrupted service must be furnished to those agencies who have need of and make use of the capabilities of the Company. Therefore, the parties agree that during the term of this agreement:

- (a) The procedure provided for herein, for the settlement of grievances shall serve as a means for peaceful settlement of all disputes that may arise between the parties.
- (b) During the life of this Agreement, no work stoppages, strikes (including sympathy strike) or slowdown shall be caused or sanctioned by the Union, and no lockouts shall be made by the Company.
- (c) No rules, customs, or practices shall be permitted which limit production or increase the time required to do any work. There shall be no limitations or restriction of the use of machinery, tools or other labor - saving devices.
- (d) Any employee(s) individually or collectively, who shall cause or take part in any violation of this Article or any activities prohibited by this article shall be immediately discharged or subject to other disciplinary action as the Company

may unilaterally consider appropriate. Any such disciplinary action shall be subject to the grievance and arbitration procedures defined herein. Should the Company prove the individual(s) did participate in such action, in violation of this provision, the disciplinary action shall not be altered.

- (e) In the event of a violation of this Article, the Union, (its officers, agents and members) collectively agree that it will use its best efforts to end such prohibited conduct, utilizing every possible means to include but not be limited to:
 - (1) Requesting through personal contact or meeting with employees that they comply with the Agreement and not take part in any prohibited conduct.
 - (2) Notifying all employees by mail that such prohibited conduct is unauthorized and in violation of the Agreement.
 - (3) requesting those violating this Agreement to return to work and / or otherwise fully comply with the terms of this Agreement.
- (f) Violation of this Article and any liability resulting therefrom shall not be excused or forgiven because the Union is engaged in any form of lawful or unlawful strike or other coercive activity against any other contractor. Nor because the employees covered by this Agreement engaged in any form of conduct prohibited by this Article in support of or in sympathy with the employees of any other employer who may be engaged in a strike or other form of coercive activity at these locations.

Section 2

Stewards have no authority to take strike action, or any other action interrupting the Company's business. The Company in so recognizing such limitation shall have the authority to impose proper discipline, including discharge, in the event a steward has taken unauthorized strike action, slow down, work stoppage, or any other actions in violation of this Agreement. Any such disciplinary action shall be subject to the grievance and arbitration procedures defined herein. Should the Company prove the individual did participate in such action, in violation of this Article, the disciplinary action shall not be altered.

ARTICLE VII

Government Security/Responsibility

Section 1

The Union recognizes that the Company has certain obligations in its contract with the Government pertaining to security, and that security is vital to the Company and the Union in carrying on their part in the defense effort. Therefore, in the event that the Department of Defense, through its duly authorized representatives concerned with security, advise or have advised the Company that any employee in the Bargaining Unit covered by this Agreement is denied work on or access to classified information or material, it is mutually agreed between the Company and Union that such employee shall be subject to any action as to his/her employment, including but not limited to termination, which the Company considers necessary for security reasons.

Section 2

It is further understood that where a security clearance is required in order to perform work in any area covered by this bargaining unit, that issuance and retention of such security clearance shall be condition of continued employment in that area. Such employee(s) shall be subject to investigation for security clearance under regulations prescribed by the Department of Defense or any other authorized and appropriate agency of the United States government and shall cooperate fully with representatives of said agencies during the conduct of investigations. Failure to comply with the requirements for a clearance or denial or withdrawal of such clearance by such government agency may be just cause for discharge dependent upon the reason for such denial or withdrawal. A non-trial period employee whose clearance is denied or withdrawn, and who is not discharged based on such denial or withdrawal, will be laid-off.

Section 3

The Company, all representatives of the Union having access to the premises, and all employees are required to comply with applicable Government security regulations. The Company and the Union agree that classified information will be revealed only to persons properly cleared and having need for access to such information as defined by applicable regulations.

Section 4

It is recognized that all employees are working on a government installation and are subject to all regulations and rules of the installation. If any bargaining unit employee covered by this agreement is denied entry or permission to work on this installation, such employee shall be laid off (out of seniority) until such time as entry is permitted. If entry or permission to work is denied by the Installation Commander, for a period exceeding one hundred and eighty (180) days such employee may be subject to discharge, subject to extension by mutual agreement.

ARTICLE VIII

Seniority

Section 1

New employees and those hired after a break in continuous service, regardless of classification shall be considered trial period employees until they have completed sixty (60) work days from the date of hire. The Company may transfer, lay-off or discharge such trial period employees and such action shall not be reviewable through the grievance procedure.

Section 2

Seniority among employees who were employed on the date of ratification of this Agreement will be determined as follows:

- (1) Employees who are employed by the Company on or before the date of ratification of this Agreement will have their seniority based upon their length of service on the contract. For the purpose of this article, the term "on the contract" shall include continuous service with predecessor contractors providing aircraft maintenance and related support to the 80th FTW, presently known as the EuroNATO Joint Jet Pilot Training (ENJJPT) program.
- (2) Employees who may be transferred into or hired or rehired on the contract subsequent to the application of Article VIII, Section 2 (1) above will have their seniority based upon their date of hire with the Company or their date of transfer to the contract, whichever is lesser. It is understood and agreed that such employees shall retain the earlier date for the purpose of benefit accruals, including but not limited to vacation accruals and retirement program.

Section 3

Seniority of employees will be broken under the following conditions and their employment with the Company will be terminated:

- (a) Discharge for just cause.
- (b) Resignation.
- (c) Failure to respond to recall notification within the time frame established within Article XIX, Section 3 of this Agreement.
- (d) Failure to be recalled from layoff within thirty-six (36) months after such layoff.

- (e) Failure to return to the active payroll for a continuous period of twenty-four (24) months due to an occupational or non-occupational physical or mental impairment.
- (f) Failure to report for work upon expiration of an approved leave of absence.
- (g) Accepting other employment while on approved leave of absence without prior permission of the Company.
- (h) Unexcused absence from work for a period of three (3) consecutive work days as provided in this Agreement.

Section 4

When two (2) or more employees have the same seniority date as herein provided, the employee having the lowest last four (4) numbers of his/her social security number shall be considered having the most seniority for tie breaking purposes.

Section 5

Employees covered hereby who are transferred or promoted to positions within the Company, but not within job classifications covered hereby, shall retain but not accrue seniority hereunder, and shall not be construed as working under the terms of this agreement while occupying such positions.

ARTICLE IX

Management/Supervisors

Section 1

Work performed by management or supervision will be restricted to those requirements beyond the capabilities of bargaining unit employees or as provided in Section 2 below.

Section 2

Management/Supervisory personnel may perform work of employees covered by the Agreement under the following conditions:

- (a) For the purpose of instructing and training employees.
- (b) Under emergency conditions.
- (c) In order to prevent injury to employees or damage to property.

- (d) When necessitated by security requirements.
- (e) When required for safety.
- (f) In circumstances which bargaining unit employees lack the technical ability to perform the work required and when work being performed is not used to avoid paying overtime or to displace a bargaining unit employee.
- (g) When the work being performed is incidental to job duties of a position which is not covered by this Agreement and is not used to avoid paying overtime or to displace a bargaining unit employee.
- (h) When required to maintain their personal qualifications and proficiency and when work being performed is not used to avoid paying overtime or to displace a bargaining unit employee.

ARTICLE X

Hours of Work

Section 1

No provision of this Agreement shall be construed as a guarantee of any specific number of hours of work, either per day or per week. The Company will make every effort to schedule employees for full days and full weeks.

Section 2

Eight (8) consecutive hours, exclusive of an uninterrupted lunch period of thirty (30) minutes or forty-five (45) minutes as customarily established shall constitute a standard work shift. The Company reserves the right to alter this section in emergency situations and when the customer requirements necessitate alteration. This excludes straight eight hour shifts, i. e. Flight Line.

Section 3

The normal workweek shall consist of seven (7) consecutive days (Saturday - Friday), beginning with the start of the third shift on Friday. The Company may establish workweek schedules consisting of five (5) eight (8) hour work days and two (2) consecutive days off within the workweek.

Section 4

The Company will permit the employee to take a fifteen (15) minute rest period during each half of the work shift without loss of pay. Employees required to work beyond the end of their shift shall be entitled to a rest period at the beginning of the extra hours. Employees must work up to the start of the rest period and be at their place of work at the end of the rest period.

Section 5

Employees tardy solely because of the gate being closed or delayed by the Sheppard Air Force Base Security Police, other than delays caused by the employee, will not be counted tardy and will be paid as though they were present for work on time.

Section 6

The company will not change an employee's shift more than two (2) hours in any week except for those times that the flying hour window shifts four (4) hours or more a day.

Section 7

Employees will not be denied work because of a goal day. Those that wish to work will be permitted to do so. Employees that do not wish to work may, at their option, make use of available vacation, sick leave or personal leave, or they may take authorized unpaid leave.

In the event of a base closure, employees may elect to use available vacation, sick leave or personal leave, or they may take authorized unpaid leave.

ARTICLE XI

Overtime

Section 1

The provisions of this Article are intended only to provide the basis for calculation and payment of overtime and shall not be construed as a guarantee of any specific overtime hours per day or per week.

Section 2

The Company reserves the right to require employees covered hereby to perform overtime work in order to meet Government contract requirements.

Section 3

- A. Overtime shall be paid for hours worked in excess of forty (40) in a workweek at one and one-half (1-1/2) times the effective hourly rate.
- B. Work performed in excess of twelve (12) consecutive hours will be paid at two (2) times the employee's effective hourly rate.
- C. Work performed on the sixth (6th) consecutive scheduled workday will be paid at one and one-half (1 1/2) times the employee's effective hourly rate.
- D. Work performed on the seventh (7th) consecutive scheduled workday will be paid at two (2) times the employee's effective hourly rate.

Section 4

When it becomes necessary for employees covered by this Agreement to work overtime, they shall not be laid off during regular working hours to equalize the time.

Section 5

No overtime shall be worked except by direction of the proper supervisory personnel of the company.

Section 6

The Company will equalize overtime by classification among employees assigned to the same sections and shifts to the extent possible within the confines of contractual requirements. Substantiated inequities in overtime assignments shall be rectified solely through the future offering of available overtime hours which the affected employee is qualified to perform. Leadmen will maintain an overtime use roster for determining overtime eligibility. The Chief Steward and/or the Shop Steward will have access to the overtime use roster. The Company will accept responsibility for the accuracy of the overtime equalization list maintained by the leadmen.

Section 7

The Company will notify employees of overtime cancellations as soon as possible. Except in cases involving unforeseen circumstances the Company agrees to provide notification of weekend overtime by noon Friday.

Section 8

There shall be no pyramiding of overtime premium payments.

Section 9

The company will provide a minimum of two hours notification for overtime to work known requirements. In the event two hours notification cannot be given to work a next day flier overtime will be given on a voluntary basis. If unable to find a volunteer for overtime then overtime will be directed utilizing the overtime equalization roster.

ARTICLE XII

Wage Rules

Section 1

The Company shall pay the scale of wages included in Appendix A made a part hereof. The classifications contained in Appendix A correspond to the job descriptions contained in Appendix E which are also made a part hereof.

Section 2

For the purpose of this Agreement, "effective hourly rate" is defined as the hourly rate resultant from dividing the employee's total basic remuneration for employment in the work week by the employee's total number of hours worked, plus the total number of hours paid but not worked, in the work week. "Basic remuneration" is comprised of the employee's basic hourly rate and any applicable hourly shift premium.

Section 3

Employees on the active payroll as of 04-09-00 whose pay rate is below the maximum of their assigned Wage Grade will have their pay rate adjusted to the maximum of the rate range effective 10-01-00. Employees hired on or after the effective date of this Agreement shall receive at least the minimum of the Rate Range for their particular classification. Such employees will progress to the maximum of the Rate Range in accordance with the Rate Progression Schedule

Section 4

A non-probationary employee whose base wages fall below the maximum of the rate range for their job classification identified in Appendix A of this Article will advance to the maximum of the rate range of his/her job classification in increments of twenty (\$.20) cents every thirteen (13) weeks.

Section 5

In no event will rate progression adjustments increase an employee's base rate above the maximum rate of his/her job classification. An employee may receive less than twenty (\$.20) cents per hour in order not to exceed the maximum rate of his/her classification. In order to qualify for such an incremental pay increase, an employee must have completed at least 13 weeks of work between the receipt of one incremental increase and the next scheduled increase date. Time spent on a leave of absence in excess of three (3) weeks will not be counted toward the accrual of 13 weeks of work.

Section 6

Employees on the payroll as of 04-09-00 who are temporarily promoted or assigned to another job classification shall receive the rate of that job classification or continue at their present rate, whichever is greater. Employees hired on or after the effective date of this Agreement who are temporarily promoted or assigned to another job classification shall receive twenty cents (\$.20) per hour over their base rate for all hours worked in the other classification. Pay increases relative to such temporary assignments or promotions shall become effective at the time the employee assumes the new assignment.

Section 7

Employees covered hereby shall be paid on alternate Thursdays for the two (2) workweeks ending the preceding Friday.

Section 8

Employees on the active payroll as of 04-09-00 who are promoted after 10-01-00 to a position assigned to a higher Wage Grade will have their base rate adjusted to the maximum of the new assigned Wage Grade. Employees hired on or after the effective date of this Agreement who are promoted to a higher rated classification shall receive their first automatic progression increase concurrent with the effective date of the promotion.

ARTICLE XIII

Shift Premium/Report In/Call-in Pay

Section 1

A differential premium of twenty five cents (\$.25) per hour will be paid for all hours worked between 5:00 p.m. and 7:00 a.m. Effective 10-01-00, the differential premium will increase to forty cents (\$.40) per hour for all hours worked between 5:00 p.m. and 7:00 a.m.

Section 2

Assignments to shifts will be made whenever necessary.

Section 3

An employee who is scheduled and reports for work at the scheduled time without having been notified not to report, shall be given four (4) hours work of any type which is available, or if no such work is available, he shall be given four (4) hours pay at his applicable rate.

Section 4

An employee who is called and reports back to work after he has completed his regularly assigned shift and clocked out for the day shall receive a minimum of four (4) hours pay at his/her applicable rate. The Company will not impose a temporary shift in order to deprive an employee of call back pay or overtime.

Section 5

If an employee is specifically notified and scheduled to start work four hours or less before the starting time of his regularly scheduled shift, he shall be given the opportunity to remain at work until the end of this regular shift.

ARTICLE XIV

Holidays

Section 1

The following ten (10) days are designated as holidays:

- New Years Day
- Presidents Day
- Martin Luther King Jrs. Birthday
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving Day
- Christmas Day

Section 2

An employee who is on the active payroll on the holiday and has worked either his/her last scheduled shift preceding the holiday or his/her first scheduled shift succeeding the holiday, and is not on leave of absence, shall be eligible for pay for such unworked holiday.

Section 3

For purposes of determining eligibility for holiday pay, paid time off, excluding paid time off under the Company's group insurance plan, shall be considered as time worked.

Section 4

The Company reserves the right to require employees to work on a holiday. When employees are required to work on a holiday, they shall be paid in addition to the holiday pay at one and one-half (1-1/2) times their base rate of pay for the hours worked on the holiday.

Section 5

Should one of the holidays authorized above fall on a regularly scheduled day off, employees will be authorized an alternate day off with pay at their base rate, to be taken at a time mutually convenient to the employee and Company within thirty (30) days following the holiday.

Section 6

Should any holiday authorized above occur on a Saturday, the preceding Friday will be considered the holiday. Should any holiday authorized above occur on a Sunday, the Monday following will be considered the holiday.

Section 7

Part-time employees are eligible for holiday pay on a pro-rata basis determined by the number of non-overtime hours worked per week over the previous eight weeks as a percent of 320 hours.

Section 8

Holiday pay shall be considered as time worked for the purpose of computing overtime pay.

ARTICLE XV

Vacation

Section 1

Each full-time regular employee covered by this agreement is entitled to vacation with pay based on the seniority date established in Article VIII, Section 2 (a) or (b) whichever date is earlier.

Section 2

Vacation credits shall vest as they accrue. Vacation credits shall accrue as follows:

- (a) During the first year of employment and during each subsequent year thereafter, through and including the eighth year, an employee shall accrue 1.85 hours of vacation credit per week for each creditable workweek. Employees with less than 8 full years of service may accrue vacation credits totaling 192 hours.
- (b) During the ninth year of employment and during each subsequent year thereafter, through and including the thirteenth year, employees shall accrue 2.31 hours of vacation credit per week for each creditable workweek. Employees in these year groups may accrue vacation credits totaling 240 hours.
- (c) During the fourteenth year and each subsequent year thereafter, through and including the nineteenth year, employees shall accrue 3.0 hours of vacation credit per week for each creditable workweek. Employees in these year groups may accrue vacation credits totaling 312 hours.

- (d) During the twentieth year and any subsequent year of employment thereafter, employees shall accrue 3.46 hours of vacation credit per week for each creditable workweek. Employees in these year groups may accrue vacation credits totaling 360 hours.

Section 3

For the purposes of accruing vacation credit, a creditable workweek is defined as follows:

- (a) A workweek during which an employee works no less than one full work day, or is on vacation or other paid leave, except as limited in (b) below.
- (b) The first four (4) full workweeks of any absence compensable under a Company insurance program.
- (c) Part-time employees are eligible for vacation pay on a pro-rata basis determined by the number of non-overtime hours worked each week.

Section 4

Vacation pay shall be computed at the employee's straight-time base rate of pay at the time of vacation. Vacations may not be advanced and usage is limited to current accrual balances.

Section 5

Vacation must be requested in advance and will be approved or denied when requested by eligible employees. When conflicts in requested vacation periods arise, the employee having the greater bargaining unit seniority shall be given preference, with due consideration to the timeliness of the conflicting request.

Section 6

When a holiday, as defined in this agreement, falls within an employee's vacation period, such holiday hours shall not be charged as vacation hours.

Section 7

Employees who terminate employment are eligible to receive pay in lieu of vacation. Unused vacation benefits will be paid regardless of the nature of the termination.

Section 8

Vacation hours shall be scheduled in full one hour increments but will be paid in tenths as circumstances dictate.

Section 9

Paid vacation hours will be considered as time worked for the purpose of computing overtime.

ARTICLE XVI

Leaves of Absence/Civic Leaves

Section 1

Limited leaves of absence for sufficient cause may be granted by the Company upon application from employees who have completed their trial period. Requests for leave of absence must be made in writing on a form provided by the Company and must be approved by the Program Manager.

Section 2

Seniority shall continue to accumulate during the approved leave of absence. When an employee has been granted a leave of absence for a specified period of time, it will be the employee's responsibility to request an extension of such leave prior to the expiration, if additional time is required. All such extensions must have prior Company approval.

Section 3

Subject to the conditions stipulated in this Article, leaves of absence may be granted for the reasons stated in the following paragraphs:

- (a) Leave of absence for legitimate personal health reasons may be granted to an employee for a period of up to thirty (30) calendar days and may be extended up to twenty-six (26) calendar weeks when supported by satisfactory medical proof supplied by a licensed physician. Employees will be placed on inactive status after exhausting twenty-six (26) weeks of short-term disability benefits. In the event the employee is released within eighteen (18) months of the date of such placement on inactive status and the employee has notified the Company, in writing, of their ability to return to the work as outlined in Article XVI, Section 3(b) below, the employee will be returned to active status and will be provided the opportunity to exercise bumping rights as if he/she were to be laid-off at that time.
- (b) An employee on leave of absence for personal health reasons may return to work prior to or at the expiration of such leave upon the full release of a licensed physician provided he/she is able to perform his/her assigned duties safely. Should the Company question the employee's capability to perform his/her assigned duties safely, the Company may have the employee examined by

another physician, prior to his/her return to work. If the physician selected by the Company and the employee's physician disagree, then the employee will be examined by a third mutually acceptable physician and his/her decision will decide the employee's capability. Any such additional examination costs shall be incurred by the Company.

- (c) While on leave of absence for personal health reasons, the employee shall notify the Company as to his/her potential of returning to work once every two (2) weeks, except in those cases where the employee's physician has provided an expected date of return. The employee shall immediately notify the Company of any changes in his/her medical condition or expected date of return.
- (d) Leaves of absence without pay for Union business will be granted to representatives of the Union who are employees of the Company who have been selected by the Union and its representatives to attend such functions as conferences, conventions, and Union educational courses, not to exceed five (5) work days provided five (5) work days advance notice is given in writing to the Company. However, not more than two (2) employees may be on such leave at any one time. It is understood and agreed that once every four years up to two (2) persons will be granted leave of absence for up to three (3) weeks for the purpose of attending the Union's international convention. Exceptions may be made by mutual agreement.
- (e) Leaves of absence in compensable injury and legal occupational disease cases will be granted for up to twenty-four (24) months of such injury or diseases and seniority will accumulate for the full period of such leave. It is understood and agreed that Company contributions to the employee's benefit plan as defined in Article XXIV will cease upon the exhaustion of the initial twenty-six weeks of such leave. The leave of absence and seniority accumulations will end whenever the employee is determined to be permanently disabled or is released to return to work and fails to report to work.
- (f) Employees who are called to perform short-term active duty of thirty (30) days or less including annual active duty training as a member of the United States Armed Forces Reserve or National Guard shall be paid the difference between their military rate and their Company rate of pay exclusive of all premiums for up to ten (10) scheduled working days. Such paid time will be considered time worked for the purpose of computing overtime pay. Employees must present a copy of their orders to the Company as soon as received. Upon return from active short-term duty, employees must present pay vouchers so that the calculation of the difference may be computed. Employees will be given a leave of absence for and will accumulate seniority during such period of service. Employees required to report for military training in excess of thirty (30) consecutive days shall be reinstated in accordance with the Universal Military Training and Service Act.

The parties to this Agreement shall comply with current applicable state and federal legislation concerning military service.

Section 4

When leaves of absence are granted, employees, upon return to active employment, will be returned to their job if their seniority will permit. If such job does not exist, or their seniority will not hold, they will exercise their bumping rights.

Section 5

Employees failing to return to work at the expiration of an approved leave of absence or accepting gainful employment during the leave of absence without the approval of the Company, may be subject to discipline up to and including termination.

Section 6

Subject to approval of the Program Manager, non-trial employees may be granted excused non-paid absences up to thirty (30) days for personal reasons.

Section 7

During such period of unpaid leave, employees shall retain and accrue seniority.

Section 8

Employees who have completed their trial period shall be allowed time off with pay in the event of a confirmed death in their immediate family as follows:

- (a) An employee shall be eligible for three (3) days bereavement leave with pay upon a death in his/her immediate family. To receive bereavement pay the leave must be taken not later than five (5) days after date of the funeral. Bereavement pay will not be granted for Saturday, Sunday, and holidays or any day which the employee will otherwise be compensated. Such paid time will not be considered time worked for purposes of computing overtime. The Company reserves the right to obtain verification of the death.
- (b) For the purpose of this Article as it relates to death in the immediate family, "immediate family" is defined as follows:

Spouse, mother, father, children, brother, sister, stepmother, stepfather, stepsister, stepbrother, or stepchildren, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparents, grandchildren, sister-in-law, brother-in-law, and grandparents-in-law.

Section 9

When employees are necessarily absent from their regular work shift by reason of required jury duty, or to report to a court in person in response to a jury duty summons, or to serve as a witness in a case in a court of law to which he/she is not named either directly or as a member of a class, and where such absence is in response to a legally valid subpoena, or to report for jury examination, they shall be granted pay for those hours during which they are necessarily absent from their regular work shift, less any fee or other compensation paid to them by the court for such service. Employees assigned to shifts other than the day shift shall be considered as assigned to the day shift for the purpose of administering this Article.

- (a) Pay for such time lost shall be computed at the employee's straight-time base rate of pay. In no event shall payment be made for jury duty performed on the employee's regularly scheduled days off, holidays defined herein or for any hours in excess of eight (8) in any regularly workdays or hours in excess of forty (40) in any workweek. Pay for such work time lost for jury duty and service as a witness should not exceed for any one employee, a total of twenty (20) regular eight (8) hour work days in any one calendar year. Pay in excess of twenty (20) work days may be granted when special circumstances warrant and approved by the Program Manager. Such paid time will be considered time worked for the purpose of computing overtime pay
- (b) To be eligible for payment of jury service pay, employees must notify their Supervisor no later than the completion of their next regular work shift following receipt by them of such notice or summons. Further, they shall be ineligible to receive jury service pay until such time as they present to the Company a statement from an official of the court attesting to the date or dates and time of such jury service, and the fee or compensation paid to them therefore by the court, exclusive of transportation allowances.
- (c) If an employee serves as a juror or witness less than a full day in court, the employee will be expected to report to work if he/she can perform four (4) or more hours of scheduled work where practical.

Section 10

Any member of the Union shall, on written request by the Union, be granted a leave of absence to serve in Union office for the term of such office. Employees on such leave shall accrue seniority. Not more than one employee shall be on such leave at any one time. Company contributions to benefit plans as described in Article XXIV will cease on the first day of such leave and will not be reinstated until said employee returns to work.

- (a) When the activities for which such leaves of absence are granted shall cease, the Union shall immediately notify the Company in writing, and if request is made within fifteen (15) days thereafter, such Union member will be given re-

employment in a similar position, if same still exists, or a comparable position, in accordance with his/her qualifications and seniority privileges and applicable wage rate at the time of return to the active payroll. The returning union member must report for active duty within thirty (30) days of the expiration date of such leaves in order to retain such rights, unless extended by mutual agreement by the parties.

Section 11

Any member of the Union shall, upon written request, be granted a leave of absence to pursue and serve in a local, state, or federal elective political office. Such leave of absence will be limited to a maximum of the term of office and the six (6) months immediately preceding the election. Should the member be unsuccessful in his bid for such office, the leave of absence shall be limited so as to exclude the term of office. During such periods of unpaid leave, the employee shall retain and accrue seniority. Company contributions to benefits plans described in Article XXIV will cease on the first day of such leave and will not be reinstated until said employee returns to work.

Section 12

Upon approval of management, employees engaged in the Company's authorized blood donor program of the American Red Cross may report to work two (2) hours late or leave two (2) hours early during normal scheduled work shifts, without loss of pay, to donate blood. Such time off for blood donation shall be counted as time worked for the computation of overtime. The employee will provide a statement from the American Red Cross in order to receive pay.

ARTICLE XVII

Sick / Personal Leave

Section 1

Full-time employees shall accrue one and eight hundredths (1.08) hours of sick leave for each creditable workweek.

Section 2

All sick leave hours shall be credited to employees accounts. Sick leave may be utilized for sickness or medical appointment.

Section 3

The employee and the Union recognize their obligation to prevent unnecessary absence or any other abuse of this sick leave provision. The Company recognizes the existence of bona fide family medical emergencies and employees shall be able to utilize sick leave to attend either a spouse or child where such attendance is deemed medically necessary by a licensed physician.

Section 4

Employees who are prevented from reporting for work by reason of sickness or injury shall notify their designated contact point of their inability to report for work, prior to shift start time, giving the reason for the absence, when possible.

Section 5

In order to be eligible for sick leave an employee must submit a leave slip to his immediate supervisor during his first work shift after he returns to work. The Company reserves the right to require a medical certificate for absences in excess of three (3) days or whenever unusual circumstances indicate probable abuses of sick leave prior to payment of sick leave.

Section 6

Employees disabled because of a work related illness or injury may utilize sick leave in increments of two (2) hours for each regularly scheduled work day lost as a result of the illness or injury. In no case may the total of sick leave pay and worker's Compensation payments exceed the employee's normal weekly straight time pay.

Section 7

Sick leave cannot be taken once the employee has evidenced his/her intent to leave the employ of the Company, unless approved by a licensed physician. Should the Company disagree with such physician, it reserves the right to require examination by a Company designated physician prior to payment of sick leave. Such examination cost shall be borne by the Company.

Section 8

Sick leave shall be considered as time worked for the purpose of computing overtime.

Section 9

Employees will be allowed to carry over sick leave credit from year-to-year, without limitation. In cases where such unused accruals exceed three hundred twenty (320) hours as of midnight September 30th of each year, those hours in excess of three hundred twenty (320) will be paid to the employee at the employee's straight time base rate of pay.

Section 10

Full-time employees shall accrue seventy seven hundredths (0.77) hours of personal leave for each creditable work week.

Section 11

Accruals of such personal leave shall not exceed sixty (60) hours. Personal leave hours in excess of sixty (60) will be added to the employee's sick leave account.

Section 12

Personal Leave may be utilized for personal business, to supplement sick leave or vacation, or in case of unforeseen circumstances subject to the following restrictions:

- (a) In cases of personal business or when used to supplement vacation leave, personal leave should be requested by the beginning of the shift preceding the shift the employee will be absent, and will insofar as practicable be granted as requested. When conflicts in requested personal leave scheduling arise, the employee having the greater bargaining unit seniority shall be given preference, with due consideration to the timeliness of the conflicting requests.
- (b) Personal leave may be utilized in cases of bona fide family or personal emergency or in cases of base closure. In cases of bona fide family or personal emergency the employee is to notify his/her immediate supervisor as soon as possible.
- (c) Personal Leave shall be considered as time worked for the purpose of computing overtime.
- (d) Personal Leave may be taken by the employee once he/she has evidenced his/her intent to leave the Company subject to the approval noted in Article Seventeen Section 12 (a) above.

Section 13

Sick/Personal leave hours may not be utilized on the employee's regularly scheduled day off.

Section 14

Requests for sick/personal leave are limited to the number of hours accrued in each category. Employees are responsible for not exceeding accrued sick/personal leave balances.

Section 15

It is expressly agreed between the parties that the terms of this Agreement, and any accrual benefits are binding on any successor contractor or successor employer to Lockheed Martin Logistics Management's Sheppard ENJJPT Division whether said successor takes over all or part of Lockheed Martin Logistics Management's operation. Specifically, but without limitation accrued but untaken sick and/or personal leave shall continue as an obligation of any such successor contractor or successor employer, and the employees covered by the collective bargaining agreement shall continue to have their individual credit with said successor the full amount of sick and/or personal leave accrued, and shall continue to accrue benefits at the rate of 1.85 hours per week thereafter, subject to the provisions of Article XVII of this Agreement.

ARTICLE XVIII

Promotions/Transfers

Section 1

In order to provide maximum stability to insure the even flow of operations, the security of all employees, and minimize the possibility of layoffs, the Company may temporarily assign employees to other assignments on the contract as the work load dictates for up to thirty (30) work days. This time frame may be extended by mutual agreement of the Company and Union.

Section 2

An employee temporarily assigned to a higher rated job classification by an authorized Supervisor shall be paid the appropriate rate of pay for that position for all hours spent actually working in that position.

Section 3

The Company shall notify the Union of its intention to create a new job which is not now covered under this Agreement or to revise an existing classification. Said notice shall be given to the Union in advance of the implementation of such new job or revision of an existing classification provided operational requirements permit. The wage rate for such new or revised job classification shall be established by mutual agreement.

Section 4

When it is determined by the Company that a vacancy in a job classification covered hereby exists, and that such vacancy shall be filled, the vacancy shall be posted. Bid forms will be available in the Supervisor's office. Having posted such vacancy in accordance with the above, there shall be no requirement for the Company to again post such vacancy for a period of thirty (30) calendar days from the date of the award of the position. Such notice shall contain the following information.

- Job Classification
- Division/Section
- Specific Initial Shift
- Qualification Requirements
- Wage Rate
- Estimated Reporting Date and Time
- Date and time after which bids will no longer be accepted.

Section 5

The Company shall furnish a copy of the job posting at the time of posting to the Chief Steward.

Section 6

Regular vacancies shall be posted and held open for a period of five (5) work days. The Company may, at its option, temporarily fill a job vacancy by assignment during the period from the time the vacancy is posted for bid and the time it is filled.

Section 7

An employee may not apply for a lower rated classification unless he/she has been in his/her current classification for a period of twelve (12) months or more.

Section 8

Completed bid forms must be given to the Personnel Supervisor, or designated representative, who shall affix thereto a date and time stamp to validate timely filing. Bids received after the closing date will not be considered. A copy of the bid forms shall be given to the Chief Steward.

Section 9

The Company reserves the right to cancel any posted job bid prior to the successful bidder assuming the duties thereof. Temporary vacancies expected to be of not more than thirty (30) work days need not be posted, and shall be filled in accordance with Article Eighteen, Section 1.

Section 10

When an employee is awarded a posted job, and fails to satisfactorily perform the duties of the position within sixty (60) work days after assuming the position, the employee will be returned to the classification last held prior to award of such promotion provided the classification has not been abolished or the position filled by another employee. If the job has been abolished or filled by another employee, the employee will be placed in an equal/open position, provided one exists. If no equal/open position is available, the employee may exercise his/her seniority rights and displace/bump the least senior employee. Employees so returned shall not be eligible to bid again for the job from which they returned for a period of six (6) months.

Section 11

An employee awarded a job vacancy shall be reclassified to the new job classification as of the first day of work on the new job.

Section 12

Nothing in this Agreement shall be construed to prevent employees from performing work which is below their classification when required to do so by the Company. Such employees shall not suffer a reduction in pay. Anything over a total of thirty (30) days will require a mutual agreement.

Section 13

When an opening arises within the bargaining unit, covered by this agreement, senior employees who bid shall be moved to the opening from the ranks of the workers before any new employee or employees with less seniority are called in to fill such position or vacancy, provided such senior employee is available and has the necessary qualifications. Employees promoted to Leadmen positions will have a three (3) month period to demonstrate skill, knowledge, and leadership ability.

Section 14

If there are no qualified bidders, the Company may fill the opening by new hire.

Section 15

Employees who are promoted or change positions through the bidding process must hold their new position for a minimum of ninety (90) calendar days before they can bid for another position. All newly-hired employees must hold their position for a minimum of ninety calendar days before they can bid for any open position. Any employee who successfully bids on a posted job must accept the position once written notice is given by the Company. The move must take place within eight (8) work days of proper notice.

Section 16

At the beginning of each fiscal year, shift preference will be offered to senior employees of each section. Those employees not wanting a preferred shift will establish a rotation into the remaining slots of a shift. A seniority roster, managed by the section Supervisor, will be used to determine the number of personnel rotating and the length of rotation.

Section 17

The parties recognize the value of cross training between work groups as a means of increasing technical competence of the employees and as a method of obtaining increased efficiency in the operation. Employees may be transferred to other assignments within the organization for the purpose of cross training the employees in the operation and/or maintenance of the equipment involved. Employees will be considered for training in accordance with the Company's needs. The Company will train and retrain employees, as feasible to maintain and improve their knowledge and/or when positions are to be eliminated due to automation or adoption of labor saving devices, provided that the cost of such training is not excessive and that the employee has the necessary aptitude. The Company will determine the number of employees to be trained and will arrange for such training.

ARTICLE XIX

Reduction and Restoration of Forces

Section 1

In the event of layoffs exceeding ten (10) working days, the Company shall designate by classification within each division the number of positions to be reduced. Trial period employees as defined in Article VIII in the job classifications affected shall be laid off first on the condition the remaining employees possess the necessary skills to perform the work.

If further layoffs are necessary such layoffs shall be made on the basis of seniority as follows:

The Company shall designate by classification the number of positions within each division to be reduced. Employees within each classification having the least seniority shall be laid off first. Affected employees will bump the least senior employees in the work section under the classification that they bump into provided that they are qualified and able to perform the duties of the position to which they are bumping. In no event can an employee bump a higher classified employee. Bumping rights must be exercised within twenty-four (24) hours after an employee is notified that he/she is to be laid off. Employees bumping to lower classifications will assume the hourly rate of the lower classification when assigned to the new classification.

Section 2

For the purpose of recall, the Company shall designate by classification the number of positions within each division to be restored. Active employees bumped during previous layoff will be offered right of first refusal for restored positions for which they are qualified on the basis of seniority. Employees who decline such offers will have no further recall rights to previous positions. Restored positions occurring after such procedure shall be filled by the most senior employee on layoff possessing the required skills and abilities of the restored position.

Section 3

Notification of openings for recall shall be given by the Company by certified mail to the last mailing address furnished by the employee. A copy of such notice shall also be sent to the Union. In order to preserve their recall rights, employees must notify the Company of their intent to return to work within seventy-two (72) hours of receipt of the recall notice and must report to work within ten (10) working days after receipt of the notice. If the employee does not respond as required by this section, the next employee may be recalled and the notified employee will be terminated.

Section 4

Failure of the employee to keep the Company advised in writing of his current correct address shall relieve the Company of all obligations indicated in Article XIX, Section 2 and Section 3 above.

Section 5

In the event of layoffs during the Christmas holiday season of ten (10) work days or less, the Company shall designate by classification the number of positions within each section to be reduced and the least senior employees in those classifications shall be laid off. For such layoffs, bumping rights shall not apply.

ARTICLE XX

Discharge and Discipline / Absence From Work

Section 1

The company may discipline or discharge employees for cause. Should an employee feel such action improper, the employee shall then be extended all the rights and privileges accorded by the Grievance and Arbitration Procedures contained herein provided the employee has completed the trial period defined in Article VIII.

- (a) A warning notice shall be removed from an employee's file if it has been found through the grievance procedure to have been unjustifiably issued.

- (b) Any warning notice issued to an employee by the company shall be issued within five (5) working days following knowledge by the Company of the occurrence of the alleged violation and such warning notice is subject to challenge by the Union or employee to whom the notice is issued in accordance with Article XXI.

Section 2

In all cases where written warning notices are given to employees, the Chief Steward will routinely receive a written copy of said notices.

Section 3

Employees shall not leave work prior to the completion of their scheduled hours without prior permission from their Supervisor. Exceptions will be made for emergency situations.

Section 4

Employees shall not be absent from work without prior permission from their Supervisor except for illness, injury or other reasons beyond the control of the employee. It is the duty of every employee who, for any reason, will be absent from work for a scheduled work shift or who expects to report for work late to notify their designated contact point as far in advance of the scheduled starting time as possible. The employee will provide the contact point the reasons for such tardiness or absence, the anticipated time or date of return and phone number (if possible) where they may be reached. Authorization of such tardiness or absence shall be determined by the Manager.

Section 5

An employee who is absent from work for a period of three (3) consecutive work days without proper cause, or an employee who is absent from work for a period of three (3) consecutive work days without reporting the reason for such absence shall be considered as having resigned without notice.

Section 6

In cases of layoff or suspension for cause, employees shall be given a copy of the layoff, suspension or termination of service notice, if they are available to be presented with such copy. If they are not available, copies of the notice will be sent to employees at their last known address and to the Union office. Employees shall have the right to appeal the action shown on the notice, provided the Union files a written grievance with the designated representative of the Company in accordance with the grievance Article in this Agreement.

ARTICLE XXI

Grievances

Section 1

It is the intent of the parties to this Agreement that the procedure provided herein for the settlement of grievances shall serve as a means for peaceful settlement of all disputes that may arise between them as to the application or interpretation of the provisions of this Agreement.

Section 2

Any discussions or conferences with employees which may lead to disciplinary action shall take place with a Steward (or the Chief Steward) present if the employee so desires.

Section 3

Grievances are to be presented and considered in accordance with the terms of this Agreement.

Section 4

There shall be no responsibility of the Company to make an adjustment on any grievance unless it is submitted within ten (10) working days after the occurrence giving rise to it, or the date when the Union should reasonably have known of the occurrence.

Section 5

It is understood that the time limits specified herein may be extended by mutual agreement of the Company and the Union.

Section 6

Any matters of contention between an employee(s) or the Union and the Company, shall be initially discussed between the employee(s) involved, if they wish to be present and to the extent that employees are involved, their Steward or, in his absence, the designated replacement, and the appropriate company Manager. If such matter is not resolved at this informal step, the aggrieved party(s) shall proceed as provided below.

Section 7

Any employee having a grievance shall file a written grievance through his Steward to his Manager within the time frames defined above. The grievance form shall set forth a statement of the grievance including the date and approximate time the event occurred

which gave rise to the grievance, the details of the event and a summary of the Articles of the Agreement allegedly violated, and the specific remedy or relief requested and shall be signed by the employee or Steward. The Manager and the Steward shall meet within three (3) working days to endeavor to arrive at a satisfactory adjustment of the grievance. The Manager shall then provide a written decision within five (5) work days after discussion with the Steward.

Section 8

If the decision of the Manager is not satisfactory, the Chief Steward shall appeal the grievance to the Deputy Program Manager provided such appeal is filed no later than ten (10) work days after receipt by the Steward of the Manager's decision. If such appeal is not filed within the time limits specified herein, the Manager's decision shall be final and there shall be no further recourse. Upon formal appeal as outlined above, the Deputy Program Manager shall meet with the Chief Steward within seven (7) working days to endeavor to arrive at a satisfactory adjustment of the grievance. The Deputy Program Manager shall provide a decision within five (5) working days of the meeting with the Chief Steward.

Section 9

If the decision of the Deputy Program Manager is not satisfactory, the Chief Steward shall appeal the grievance to the Program Manager or designee provided such appeal is filed no later than ten (10) working days after receipt by the Chief Steward of the Deputy Program Manager's decision. The Program Manager shall meet with the Chief Steward and full time representative of the Union at a mutually agreeable time within thirty (30) calendar days to endeavor to arrive at a satisfactory adjustment of the grievance. The Chief Steward shall inform the Program Manager at the time of the appeal of the identity of the full time representative of the Union. The Program Manager shall provide a decision within ten (10) working days of the meeting with the Chief Steward and full time representative of the Union.

Section 10

Any grievance arising out of interpretation or alleged violation of the terms and conditions of this agreement which has been properly processed according to this grievance procedure and has not been satisfactorily adjusted or settled, may then be appealed to Arbitration as provided in this Agreement, provided such notice of appeal is filed by the Union with the Deputy Program Manager no later than thirty (30) work days after receipt by the Chief Steward of the decision provided by the Program Manager or the last day on which such decision was due if none is received, whichever is sooner; otherwise, such decision shall be final and there shall be no further recourse.

Section 11

All of the steps of this grievance procedure may be waived and the parties may proceed directly to arbitration provided that there is mutual agreement between the parties to proceed directly to arbitration.

Section 12

A grievance may be filed by an affected employee or Steward on behalf of the employee and other similarly affected employees. It is the intent of this section to eliminate the need for multiple filings of a grievance.

Section 13

A grievance filed by the Company shall be presented to the Chief Steward. The Deputy Program Manager or designee and the Chief Steward shall meet within seven (7) working days to endeavor to arrive at a satisfactory adjustment to the grievance. The Chief Steward shall provide a decision within five (5) working days of the meeting with the Deputy Program Manager or designee.

Section 14

Any decisions not provided within the time frames established shall be considered as unsatisfactory responses, except where extended by mutual agreement of the Company and the Union, and the party claiming to be aggrieved may proceed to the next step in the Grievance-Arbitration procedure.

ARTICLE XXII

Arbitration

Section 1

There shall be no grievances presented to arbitration until all steps of the grievance procedure have been utilized. All such grievances shall be considered finally settled and not subject to arbitration unless either party (the Union or the Company) first serves notice of intention to arbitrate upon the other party during the first thirty (30) working days after the final step of the grievance procedure.

Section 2

If a settlement or adjustment of the dispute cannot be reached, then either of the two shall request the Federal Mediation and Conciliation Service (FMCS) to submit a list of nine (9) names from which the Arbitrator shall be chosen within ten (10) working days of receipt of

such list. The names contained on said list shall be stricken in turn until one (1) name remains, and that person shall become the Arbitrator. The parties shall alternately strike first.

Section 3

The Arbitrator shall not have the power to add to, subtract from, modify, alter or change any of the terms of this agreement or any other terms made supplemental hereto, or to arbitrate any matter not specifically provided for by this Agreement or Arbitrate any new provision into this Agreement. The Arbitrator's authority is to interpret and apply provisions of the Agreement.

- A. Except as provided in the Agreement, in no event shall the Company be penalized or in any way liable for monetary damages prior to thirty (30) calendar days preceding the submission of the grievance to management, but in no event prior to the event giving rise to the grievance.
- B. Each party may submit a separate statement of issues it considers in dispute and the Arbitrator shall determine at or after the hearing the issue or issues to be arbitrated. The issue or issues so determined shall be the sole matter to be decided by the Arbitrator.

Section 4

The parties reserve the right to file post-hearing briefs within thirty (30) days of the arbitration. The Arbitrator shall provide a decision within thirty (30) days of receipt of the briefs or the close of the proceedings if the parties waive the right to file post-hearing briefs. The Arbitrator's decision or award shall be in writing and should reveal the reasoning and grounds on which it is based. The award shall be delivered or mailed to each party.

Section 5

The decision of the Arbitrator, within the purview of his/her authority, shall be final and binding on all parties.

Section 6

The parties agree that either party may be represented at arbitration hearings as they may choose and designate. Each of the parties will assume the expenses of presenting its case including the compensation and other expenses of witnesses called or summoned by it.

Section 7

All fees and expenses of the Arbitrator shall be borne by the losing party. Each party shall bear the expense of the presentation of its own case.

ARTICLE XXIII

Field Duty

Section 1

Employees who are temporarily assigned away from the site to which they are permanently assigned to perform work for the Company, will have their transportation provided for by the Company. Such employees will be reimbursed for travel expenses in accordance with the Joint Travel Regulations provided the employee complies with said regulations. The Joint Travel Regulations will be made available to the Union upon request. Any additional cost for reasonable lodging above the rates listed in the JTR if approved by a supervisor will be paid by the Company upon presentation of the receipts by the employee.

ARTICLE XXIV

Group Insurance

Section 1

A group Insurance Plan applies to all full-time employees covered hereby which provides benefits as specified in Appendix B.

ARTICLE XXV

Bulletin Boards

Section 1

The Company shall provide bulletin boards for use of the Union. The number and location of said bulletin boards will be by mutual agreement. All notices placed on this bulletin board shall relate solely to official Union business and be signed by an official of the Union. A copy of all such notices shall be submitted to the Personnel Supervisor for approval prior to posting except:

Notices of Union meetings

Notices of elections of Union officials and the results of such elections, and

Notices of recreational and social events

Section 2

There shall be no distribution or posting by the Union, or by employees of advertising or political material, notices, or any other kinds of literature on the Company's property other than herein provided.

Section 3

The bulletin board shall not be used for posting or distributing pamphlets of a political or religious nature of any kind and shall not in any way be used for commercial advertising purposes.

ARTICLE XXVI

Pension Plan

Section 1

A Pension Plan applies to employees covered hereby as specified in Appendix C.

ARTICLE XXVII

General Provisions

Section 1

Employees covered by this Agreement shall be governed by all company rules, regulations, and orders which are not in conflict with the terms and conditions of this Agreement, as such rules, regulations, and orders currently exist or as modified during the terms of this Agreement.

Section 2

Should any provision or provisions of this Agreement be rendered or declared invalid by reason of any existing or subsequently enacted legislation or regulation or by reason of any decree of a court of competent jurisdiction, such invalidation of such part or parts of this Agreement shall not invalidate the remaining portions hereof and the said remaining portions shall remain in full force and effect.

The Company and the Union shall, within thirty (30) days, negotiate the provision of the Agreement affected by such legislation or court decree. Any modification or changes to this Agreement brought about by the above negotiations shall be in writing and signed by the parties hereto.

Section 3

There shall be no unlawful discrimination by the Company or the Union against any employee because of race, sex, creed, color national origin, age, disability veteran status or other status protected by applicable federal, state or local law or regulations.

Section 4

It is understood wherever in this Agreement employees or jobs are referred to in the male or female gender it shall be recognized as referring to both males and females.

Section 5

Employees covered by this Agreement shall be governed by all site rules, regulations and orders, which are not in conflict with the terms and conditions of this Agreement.

Section 6

Employees will be responsible for reasonable care of customer and/or Company furnished equipment and will notify the Company of any loss, sabotage or willful damage to Company, customer or employee property or materials.

Section 7

It is the sole intention of the Company to engage in its long-standing practice of subcontracting work where the Company determines that such work cannot be effectively and economically performed by its own employees due to lack of time, skills, tools, equipment, facilities, or availability of manpower, or as required by its contract with the Government.

Section 8

An employee injured on the job will be provided transportation for treatment by the Company in an appropriate vehicle.

Section 9

The Union and the Company recognize that employees covered hereby are performing services for the U.S. Government in U.S. Government facilities and by use of U.S. Government equipment. The Company is not authorized to maintain, modify, or repair such Government facilities except as contractually directed.

Section 10

When severe weather conditions, base closure, or other conditions beyond the control of the Company occur which result in shift changes or work cancellations, the Company will make every effort to notify employees by telephone call and/or by message broadcast on

local radio and TV stations. Radio/TV messages will specify Lockheed Martin employees rather than civilian employees.

In other instances, the Company will make a good faith effort to notify employees of unscheduled shift changes or work cancellation by telephone call to the last phone number provided by the employee. Notice will be given by salaried personnel, leads, or clerks under salaried supervision. Messages left on telephone recording machines or with another person at the telephone number provided will constitute notification.

Section 11

The Company will provide the Chief Steward with a copy of the Change of Status form on all new hires in the bargaining unit within one week of their date of hire and any other change of status that affects bargaining unit employees.

ARTICLE XXVIII

Standards of Personal Appearance

Section 1

The Company will establish grooming standards that include:

- (a) Employees may wear a beard provided that it is neatly trimmed and well maintained.

Section 2

Because of the potential for serious injury, finger rings will not be worn by personnel engaged in the following activities:

- (a) Most climbing, ascending, or descending where the individual might fall with their ring catching on an object resulting in an injury.
- (b) Personnel engaged in all flight line activities.
- (c) Most materials handling operations.
- (d) Any type of work where individuals are exposed to moving machinery, rotating or revolving parts or activities that could result in their hands being caught by a moving part(s) causing any injury.

- (e) Any type of work or inspection where an individual is exposed to an energized electrical circuit.

Section 3

The wearing of jewelry is prohibited on the flight line and in certain industrial areas. While watches are allowed, caution must be exercised when working on or around energized electrical/electronic equipment.

Section 4

The U.S. Air Force has directed that safety steel toe shoes be worn in work areas that present a potential for foot injury. In areas where safety steel-toe shoes are required by OSHA regulations, they will be worn. These work areas will be identified by the Program Manager. Employees required to wear safety steel toe shoes will be provided an allowance of up to eighty-five dollars (\$85.00) toward the purchase of one (1) pair per year, except that the company will replace for flightline personnel as needed up to a maximum of two (2) pair per year.

Section 5

Employees that are not required to wear safety footwear in the performance of their duties may wear certain type (oxford, work casual, or boot style) footwear. Casual and specialty footwear (loafers, running shoes, dress casual moccasins, sandals, nylon or canvas shoes) or heel and toe taps will not be worn on the job. Shoe color may be black, brown or tan. Footwear must be fully enclosed with non-skid soles and heels without exposed nails, hob nails, or metal plates.

Section 6

Uniform requirements are as follows:

- (a) Employees will wear uniforms (shirts and pants or coveralls) with Company provided patches. The approved Euro NATO patch may be worn on the left shoulder and the IAM patch may be worn on the right shoulder. The Company will provide five (5) initial sets of uniforms. Uniforms will be replaced by the Company as needed. Employees may wear head covering provided by the Company and the union in areas authorized by the U.S. Air Force. No other head covering is authorized. However, reasonable exceptions will be made on inclement weather days.
- (b) Because of concern for the comfort, safety and appearance of its employees, the Company will provide two sets of insulated coveralls to employees whose responsibilities require them to work for extended periods of time outdoors in harsh weather conditions. These coveralls will be the only authorized outer garment when worn and will be issued with proper patches. In lieu of two sets of

coveralls, employees may elect one set of coveralls and one winter jacket with proper patches displayed.

- (c) Plain white, plain blue and Union provided navy blue or gray pocket T-shirts may be worn.

ARTICLE XXIX

Duration

This Agreement shall be effective on April 10, 2000 and shall continue in full force and effect through April 13, 2003 and thereafter from year to year unless at least sixty (60) days prior to the normal expiration date of this Agreement either party gives written notice by certified mail to the other of its intent to amend, modify, or terminate the Agreement.

In witness whereof the parties hereto have caused this Agreement to be executed by their authorized agents this 10th day of April, 2000.

For the Company

Charles D. Jones
Vice President & GM

John R. Prunty
Director, Human Resources

Larry Cochran
Manager, Employee Relations

John Bleess
Sr. Program Manager

Wayne Lewis
Deputy Program Manager

Connie Gatewood
Manager, Mgmt Support

For the Union

John Crowdis
Aerospace Coordinator, District 776

Pat Lane
President & Directing Business
Representative

Virgil Rogers
Business Representative, District 776

Walter Beeman
President, Local Lodge 2771

Jody Bennett
Union Steward, Local Lodge 2771

Michael Lowe
Union Steward, Local Lodge 2771

William Lenart, Jr.
Union Steward, Local Lodge 2771

APPENDIX A

Wages

Effective 10/01/00 each bargaining unit employee will receive a 4% general wage increase applied to his/her basic hourly rate.

Effective 10/01/01 each bargaining unit employee will receive a 3% general wage increase applied to his/her basic hourly rate.

Effective 10/01/02 each bargaining unit employee will receive a 3% general wage increase applied to his/her basic hourly rate.

APPENDIX A
(continued)

Wage Rates

Effective April 10, 2000

Wage Grades	LMLM Job Title	Effective 10/1/00		Effective 10/1/01		Effective 10/1/02	
		Min	Max	Min	Max	Min	Max
1	Lead, QC	\$18.30	\$21.23	\$18.85	\$21.87	\$19.42	\$22.53
2	Lead, AGE	\$17.61	\$20.43	\$18.14	\$21.04	\$18.68	\$21.67
	Lead, Arm/Wea						
	Lead, NDI						
	Lead, Aircraft Maintenance						
	Lead, A/C Mech/TA						
	Lead, Eng Mech						
	Lead, Workload Center						
	Computer Spec III						
	Lead, Avionics: FL & In Shop						
	Lead, Egress						
	Lead, Structural						
	Lead, Mach/Welder						
3		\$17.30	\$20.07	\$17.82	\$20.67	\$18.35	\$21.29
4	Lead, P/B/T	\$16.94	\$19.65	\$17.45	\$20.24	\$17.97	\$20.85
	Lead, Corrosion Control						
	Lead, Fuels						
	Senior Mech/NDI (II)						
	Lead, Survival						
5	Senior Mech	\$16.62	\$19.28	\$17.12	\$19.86	\$17.63	\$20.46
	Senior Age Mech						
	Senior Arm/Wons Spec						
	Senior Eng Mech/FLSU						
	Senior Aircraft Maintenance						
	Senior S/C Mech/TA						
	Senior Corrosion Control						
	Senior Machinist						
	Sr Avionics Spec FL In Shop						
	Sr Elec/Batt Spec FL In Shop						
	Senior Egress Spec						
	Senior Sheetmetal Spec						
	Senior Welder						
	Computer Spec II						
	QC Inspector						
6	Senior P/B/T	\$16.23	\$18.83	\$16.72	\$19.39	\$17.22	\$19.97
	Maint Data Analyst						
	Senior Environ Spec						
	Plan/Sch/Doc Lead						

APPENDIX A
(continued)

Wage Rates

Effective April 10, 2000

Wage Grades	LMLM Job Title	Effective 10/1/00		Effective 10/1/01		Effective 10/1/02	
		Min	Max	Min	Max	Min	Max
7	Engine Contrller	\$16.00	\$18.56	\$16.48	\$19.12	\$16.97	\$19.69
	Senior Workload Cont						
8		\$15.56	\$18.05	\$16.03	\$18.59	\$16.51	\$19.15
9	Lead, PMB	\$15.41	\$17.87	\$15.87	\$18.41	\$16.35	\$18.96
10	Senior Acft/Eng Sch	\$15.04	\$17.45	\$15.49	\$17.97	\$15.95	\$18.51
	Armament Weap Spec						
	Aircraft Mechanic						
	A/C Mech/TA						
	Avionics Spec Flt Line						
	Avonics Spec In Shop						
	Eng. Mech/FLSU						
	Welder						
	Sheet Metal Spec						
	Machinist						
	Egress Spec						
	P/B/T Spec						
	Environ Monitor Spec						
	Corrosion Control Spec						
	AGE/Vehicle Mechanic						
	Survival Equipment Spec						
	Elec/Battery Spec FL/In Shop						
	Senior Training Spec						
	Senior Distillation Spec						
11		\$14.73	\$17.09	\$15.17	\$17.60	\$15.63	\$18.13
12	Brake/Tire Spec	\$14.26	\$16.54	\$14.69	\$17.04	\$15.13	\$17.55
	Battery Spec						
	NDI Spec						
13	Workload Controller	\$14.06	\$16.31	\$14.48	\$16.80	\$14.91	\$17.30
	Senior Repair Cycle Mon						
14	Distillation Spec	\$13.77	\$15.97	\$14.18	\$16.45	\$14.61	\$16.94
15	Chemical Cleaning Spec	\$13.40	\$15.54	\$13.80	\$16.01	\$14.21	\$16.49
	Technical Info Spec						
	Senior PMB						
16	Engine Scheduler	\$12.42	\$14.41	\$12.80	\$14.84	\$13.18	\$15.29
	Operations Support Spec						
	Logistics Spec						
	PMB Spec						
	Budget Monitor						
	Senior Aircraft Washer						

APPENDIX A
(continued)

Wage Rates

Effective April 10, 2000

Wage Grades	LMLM Job Title	Effective 10/1/00		Effective 10/1/01		Effective 10/1/02	
		Min	Max	Min	Max	Min	Max
16A	Aircraft Mechanic Trainee Engine Mechanic Trainee AGE Mechanic Trainee Pneu Brake Tire Spec Trainee Corrosion Control Spec Train Sheet Metal Spec Trainee	\$11.92	\$13.83	\$12.28	\$14.24	\$12.65	\$14.67
17	Vehicle Operator Tow Crew	\$11.68	\$13.55	\$12.03	\$13.96	\$12.39	\$14.38
18	Aircraft Washer Aircraft Technical Clerk	\$11.15	\$12.93	\$11.48	\$13.32	\$11.82	\$13.72
19		\$10.68	\$12.39	\$11.00	\$12.76	\$11.33	\$13.14
20	General Clerk	\$8.47	\$9.83	\$8.73	\$10.12	\$8.99	\$10.42
21	Janitor	\$6.21	\$7.20	\$6.39	\$7.42	\$6.58	\$7.64

APPENDIX B

Group Insurance

A group insurance plan applies to full-time employees covered hereby which provides benefits as specified in the following.

1. Company paid life insurance in the amount of one time annual salary.
2. Company paid accidental death and dismemberment insurance in the amount of one times annual salary.
3. Short-term disability insurance with a benefit level of up to 70% of weekly compensation as defined in the summary plan description.
4. Medical plan benefits for employees and insured dependents of full-time employees will be offered through the Blue Cross/Blue Shield PPO. Benefits will be provided as defined in the summary plan description, except, effective January 1, 2001 the co-pay for physician office visits will be \$10.00

The employee will pay the following premium during the life of the agreement:

Employee Only	\$24.00
Employee with one dependent	\$45.00
Employee with two or more dependents	\$80.00

5. Dental Care benefits for employees and insured dependents will be provided as specified in the summary plan descriptions. The following dental plans will be offered:
 - Delta Comprehensive
 - Delta Comprehensive Plus

The Delta Comprehensive Plan will be provided at no cost to the employee. Employees opting for the Delta Comprehensive Plus Plan will pay the difference in the cost of the two plans based on the calendar year rates for employee only, employee plus one (1) dependent and employee plus two (2) or more dependents. Employee payments will be made through payroll deductions. The Delta Comprehensive Plus Plan will be offered effective 01-01-01.

6. The Company will make available via payroll deduction long term disability insurance as defined in the summary plan description for full-time employees after a 180-day qualifying period. The employee will pay one hundred percent (100%) of the monthly premium.

7. Employees may purchase, by payroll deductions employee term life insurance, optional term life, and special accident insurance.
8. The Company will provide tuition reimbursement which will include for company approved courses \$25 for books and supplies and a maximum of \$500 per calendar year for courses completed with a "C" average.
9. Vision benefits for employees and dependents as specified in the summary plan description provided by VSP without cost to the employee.
10. Part-time employees whose normal weekly schedule is less than thirty-two (32) hours will be paid DOL requirements in lieu of group benefits.
11. The Company and Union by mutual agreement may modify the coverage provided in an effort to contain cost and improve coverage. Any modification will be in conjunction with applicable rules and regulations of the Department of Labor as they relate to insurance or wage and fringe benefit determinations.
12. The company will implement the Lockheed Martin Hourly Savings Plan (HSP) effective July 1, 2000. Employees may contribute up to \$100.00 per week. There will be no company matching contribution. Employees must have six (6) months of company service to be eligible to participate.
13. The parties agreed in these negotiations to undertake a review and discussion of the Lockheed Martin Operations Support Benefits not later than February 1, 2001. If the parties agree to implement the Operations Support Benefits, the implementation date will not be earlier than January 1, 2002.

APPENDIX C

Pension Plan

- A. The company shall contribute to the I.A.M. National Pension Fund, National Pension Plan for each hour for which employees in all job classifications covered by this Agreement are entitled to receive pay under this Agreement as follows:

\$.65 per hour	effective	October 1, 2000
\$.75 per hour	effective	October 1, 2001
\$.80 per hour	effective	October 1, 2002

- B. The Company shall continue contributions based on a forty (40) hour work week while an employee is off work due to paid vacations or paid holidays. Contributions are limited to forty (40) hours per week. Pension contributions will be based on hours paid. Pension contributions will be excluded for employees on Short Term Disability; Long Term Disability; Industrial Leave; employees on unpaid Personal Leave; and Military Leave exceeding 30 calendar days.
- C. Contributions for a new, temporary, probationary, part-time, and full-time employees are payable from the forty sixth(46th) work day of employment and no later than the sixtieth (60) calendar day of employment.
- D. The I.A.M. Lodge and the Company adopt and agree to be bound by, and hereby assent to, the Trust Agreement, dated May 1, 1960, as amended, by creating the I.A.M. National Pension Fund and the Plan rules adopted by the trustees of the I.A.M. National Pension Fund in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust and Plan may be amended from time to time.
- E. The parties acknowledge that the Trustees of the I.A.M. National Pension Fund may terminate the participation of the employees and the Company in the Plan if the successor collective bargaining agreement fails to renew the provision of this pension Article or reduces the Contribution Rate. The parties may increase the Contribution Rate and/or add job classifications or categories of hours for which contributions are payable.
- F. This Article contains the entire agreement between the parties regarding pensions and retirement under the Plan and any contrary provision in this Agreement shall be void. No oral or written modification of this Agreement shall be binding upon the Trustees of the I.A.M. National Pension Plan Fund. No grievance procedure, settlement or arbitration decision with respect to the obligation to contribute shall be binding upon the Trustees of the said Pension Fund.

APPENDIX D

Job Descriptions

See Separate Job Description Booklet

LETTER OF AGREEMENT

The Union recognizes and adopts the company's Drug-Free workforce and Workplace Policy and Procedures for Sheppard AFB employees, revised April 10, 2000. All employees stipulated in the National Labor Relations Board's Certification of Representation shall be subject to the terms and conditions of said policy and procedures. Employees in all classification that are in this bargaining unit have been selected to be included in a separate random drug testing pool. Employees will be randomly selected by computer from this pool for testing each month at a rate that will equal up to ten percent (10%) of the population of the pool annually.

For the Company

For the Union

John R. Prunty
Director, Human Resources

Virgil Rogers
Union Representative

DATE: 04-10-00

LOA 01

LETTER OF AGREEMENT

The company agrees, during the term of the CBA, to deduct from the employee's wages and turn over to the Treasurer of the Machinists Non-Partisan Political League (MNPL), contributions by any employee who desires to make such contributions to said MNPL and who individually and voluntarily authorizes the Company in writing, on an authorization form mutually agreed to between the company and the Union, to make such deductions. All funds so deducted shall be forwarded monthly to the Treasurer of the MNPL, Fort Worth, Texas, as soon as reasonably possible after the end of each month in which deductions are made, accompanied by a record stating the name of employee, social security number, and amount contributed and so deducted.

- A. Such deductions shall be made in accordance with instructions on said authorization cards which have been delivered by the union to the Accounting Section of the company.
- B. Authorization(s) must be received by the Company no later than fourteen (14) days prior to the end of the pay period in order for such voluntary contributions to be deducted for such pay period. Contributions to be deducted as a result of authorizations not received fourteen (14) calendar days prior to the end of the pay period will be started effective the following pay period.
- C. Such deductions shall be made every two weeks from the employee's paycheck.
- D. If an employee does not have sufficient earnings in any payroll period to cover such contributions for the payroll period, the Company shall have no further responsibility for collection of contributions for that payroll period.

For the Company

For the Union

John R. Prunty
Director, Human Resources

Virgil Rogers
Union Representative

DATE: 04-10-00

LOA 02

LETTER OF AGREEMENT

The Company and the Union agree that whenever possible employees should work regular full-time schedules. They also recognize that consistent scheduling is impossible due to the varying needs of the U.S. Air Force and that there are situations where the use of part-time personnel cannot be avoided. The company agrees that its normal practice will be to establish flight line work schedules on a weekly basis and follow these schedules as much as operations requirements will allow. The company further agrees that barring significant changes in Air Force flight operations it will limit the number of part-time employees to no more than 3% of the bargaining unit.

For the Company

For the Union

John R. Prunty
Director, Human Resources

Virgil Rogers
Union Representative

DATE: 04-10-00

LOA 03

LETTER OF AGREEMENT

The Union and the Company agree to utilize a Trainee position within the context of the mutually agreed to Training Job Qualification Standards. This program is intended to complement the Training program currently in effect.

1. The Trainee position is an entry-level position to be used as a viable resource for mechanics/specialists in the future. The time period to accomplish this training and hands-on experience will be one and a half years. In no case will an individual spend more than 18 service months in this position before being eligible to bid for promotion to an open position.
2. The pay grade for this position is 16A. All pay and benefits will be as provided for in the collective bargaining agreement (CBA).
3. Trainee positions will be manned up to a maximum of 10 employees. This number may be raised or lowered by mutual agreement between management and the union.
4. The Trainee position shall not be utilized in any way to replace a specialist/mechanic. In the event of a layoff, trainees shall be laid off first in the order of their seniority before a specialist/mechanic will be laid off. Affected employees may bump in accordance with Article XIX of the CBA. No laid-off employee shall be returned back to work in a trainee position as long as there are specialists/mechanics in lay-off status.
5. No Trainee shall work overtime to replace a specialist/mechanic or to keep a specialist/mechanic from receiving overtime. If overtime is required, it will be divided equally among employees in this classification.
6. Because this position requires on-the-job training, employees shall train during their normal working hours. Training will be provided by Senior Specialists/Mechanics and, on a voluntary basis, by qualified personnel through on-the-job training, and classroom study through certified trainers and instructors. When not in training, employees shall be assigned to their respective sections and shall assist in regular work center duties.
7. If they have not already completed it, each trainee shall enroll in an Air Force certified Career Development Course for the appropriate specialty. This course shall not be done at work, and the employee shall not receive compensation for doing the course during his or her own time. The course must be completed within one year of enrollment. Employees who can not successfully complete this course shall not be permitted to continue in this training program and will be allowed to bump back to their previous classification if they have seniority. Those who do not have seniority and are not eligible to bump shall be laid off and allowed to be recalled to other positions they are qualified for when they become available. Those employees removed from the program shall not be allowed to reenter the program for one year.

LOA 04

8. The Training Section shall maintain training records on all trainees and shall establish a training program that provides the trainee an opportunity to learn to become a specialist/mechanic. These records will be kept up to date and will contain all training provided and problems that may have been encountered during the training.

9. For the purpose of this agreement the following definitions apply:

- a. Prior aircraft experience: Actual hands-on experience working with aircraft similar to the T-37 and T-38 such as other fighter aircraft, or equipment similar to that used to maintain these aircraft.
- b. Specialists/Mechanics: Those employees described as such in the CBA and job description.
- c. Service Months: All active employment that excludes time spent during leave

of absence or lost time due to disability whether work related or non-work related in excess of 30 days.

10. A Trainee training status committee will be formed to check the progress of each trainee. This committee will consist of the Deputy Contract Manager, HR Supervisor or designee, appropriate Branch Manager, Chief Steward, Section Steward, and the Training Supervisor. This committee will review the progress of the Trainees quarterly to ensure they are receiving the proper training, both formal and OJT. If any problems are indicated the trainee will be asked to attend the meeting.

For the Company

For the Union

John R. Prunty
Director, Human Resources

Virgil Rogers
Union Representative

Date: 04-10-00

LOA 04

LETTER OF AGREEMENT

The Company and The Union agree to one NDIS and one SURV Quality Support Augmentee. Additional Augmentee positions may be approved through mutual agreement between the Company and the Union.

For the Company

For the Union

John R. Prunty
Director, Human Resources

Virgil Rogers
Union Representative

04-10-00

LOA 05

SUBJECT: Drug-Free Work Place

ORGANIZATIONAL RESPONSIBILITY: Human Resources

ORGANIZATIONS AFFECTED: All DoD Departments

1. **Purpose:**

To establish the Lockheed Martin Logistics Management policy and procedures necessary to ensure the establishment and maintenance of a drug-free workplace.

2. **Background:**

2.1 The Federal Omnibus Drug Bill of 1988, Public Law 100-690, requires that all companies doing business with the Federal Government establish and maintain a program to ensure a drug-free workplace.

2.2 The law includes provisions for employee drug testing, supervisory training to assist in identifying and addressing illegal drug use, and an employee assistance program to encourage and aid employees in obtaining professional help for substance abuse problems.

3. **Policy:**

3.1 DRUG TESTING

In order to implement and maintain a drug-free workplace, medically approved drug screen tests will be accomplished under the following circumstances:

3.1.1 PRE-EMPLOYMENT

Pre-employment drug testing will be conducted where contractually required and for all salaried employees at Headquarters. Newly hired employees will be required to have a pre-employment drug test. Applicants testing positive will not be hired. Pre-employment drug testing also applies to the rehire of former employees who have been on layoff or voluntary termination status for ninety (90) days or longer.

3.1.2 POST-ACCIDENT/INCIDENT

Any employee involved in an accident/incident that results in injuries to personnel and/or damage to property or equipment may be tested if human error or neglect is suspected.

3.1.3 REASONABLE SUSPICION/CAUSE

Management may require an employee to be tested whenever there is reasonable cause to believe, based on evidence, that the individual is currently under the influence of drugs or alcohol.

3.1.4 RANDOM TESTING

The Company and the Union recognize the importance of maintaining a drug and alcohol free workplace and agree that the Company can, from time to time, implement changes to its current rules and regulations designed to identify drug and alcohol use and to fix and impose penalties for the violation thereof.

A. Random Drug Testing

One hundred percent (100%) of employees including all management employees assigned to and performing in both safety sensitive and non-safety sensitive positions on the Sheppard ENJJPT contract will be required to submit to drug testing on a random basis.

- 1) Employees covered by this CBA will be included in the pool of employees subject to random testing. The selection of employees for random testing will be conducted through the use of a blind random number generator or other neutral selection process, and will not include more than ten percent (10%) of employees of the entire workforce in any given year.
- 2) When an employee is selected for random testing, the employee will be notified within 24 hours of the time the test is scheduled to occur.
- 3) An employee whose random drug test is deferred will be subject to an unannounced test within 60 days.
- 4) Other testing, as required by government contracts, and/or rules and regulations of federal government agencies, will be conducted under those applicable terms and conditions.
- 5) Employees are expected to cooperate fully during a drug test. The employee will be advised that the drug test is mandatory, not voluntary. The employees will read and must sign the Company's Drug Testing consent form prior to testing. The form includes the authorization to release all results to the Company.
- 6) During an alcohol/drug test, the employee will be required to provide biological specimens. All testing will be conducted by a company-approved medical testing laboratory, with split sample integrity and chain-of-custody procedures in place to ensure proper specimen collection and handling security. Any test sample result that comes back positive will be re-tested to verify the accuracy of the results.
- 7) Where employees are found to have tested positive on a split sample random drug test, the employee will immediately be suspended without pay. The employee will be given the option of attending a Company approved rehabilitation program or termination of employment.

If the employee elects to participate in a Company approved rehabilitation program, the employee will be granted a thirty (30) day leave of absence without pay to attend such a program. The length of the leave may be extended up to an additional thirty (30) days upon recommendation of the rehabilitation counselor or physician. A request by a rehabilitation counselor and/or physician for an additional extension of leave without pay shall be evaluated by the Company based on its merit and will not be unreasonably denied.

It is also understood that under certain individual circumstances that the full thirty (30) days to attend a Company approved rehabilitation program may not be required by the rehabilitation center. In that event, and based upon written notification from the rehabilitation center signed by a certified physician that states the employee has successfully completed their program and is released to return to

work, the company will allow the employee to return to work. The employee will be required to take a split sample drug test prior to return to work. Should this test be positive the employee will be terminated.

An employee who has tested positive on a split sample random drug test and successfully completed a rehabilitation program and returned to work must agree to be subject to unannounced testing once during each six months of an eighteen (18) month period from his date of return to work as a condition of continued employment. If the employee tests positive in a subsequent drug test their employment will be terminated.

The thresholds for drug testing are:

Drug	Screening Limits	Confirmation Limits
Amphetamines	1000 NG/ML	500 NG/ML
Barbiturates	200 NG/ML	200 NG/ML
Benzodiazepines	200 NG/ML	200 NG/ML
Cannabinoids	50 NG/ML	10 NG/ML
Cocaine Metabolites	300 NG/ML	150 NG/ML
Opiates	300 NG/ML	300 NG/ML
Phencyclidine	25 NG/ML	25 NG/ML

Upon initial screening, if the test indicates positive, it will be confirmed by GC/MS.

B. Employee Assistance

- 1) Employee assistance support related to substance abuse problems will be made available to employees through the Employee Assistance Program (EAP).
- 2) The company has contracted with an agency to administer its Employee Assistance Program (EAP). Their (800) number will be posted on Company bulletin boards throughout the worksite.
- 3) Contacts will be made with local substance abuse counseling agencies and related organizations. The purpose of these contacts will be to obtain assistance in establishing local sources for counseling, education and training, and rehabilitation programs.
- 4) Employees seeking assistance will be assured that the strictest possible confidentiality will be maintained at all times. Only the employee and those management officials who have an absolute "need-to-know" will have any knowledge of the employee's actions.
- 5) Employees who voluntarily admit to a drug/alcohol abuse problem prior to apprehension, arrest, or charge of substance abuse, or a positive test result may be granted up to thirty (30) days leave without pay to participate in a rehabilitation program. Management approval will be obtained by use of a "Request For Leave Of Absence" form.

3.1.5 OTHER TESTING

Other testing, as required by government contracts, and/or rules and regulations of federal government agencies, will be conducted under applicable terms and conditions.

3.1.6 DRUG TESTING PROCEDURES

The employee should be advised that the alcohol/drug test is mandatory, not voluntary. The employees will read and sign the Company's Alcohol/Drug testing consent form prior to testing. Refusal of a test, refusal to sign the consent form or testing positive will result in disciplinary action up to and including termination. Where employees are found to have tested positive on a random drug test, the Company will follow the procedure outlined in 3.1.5 of this policy.

- 1) During an alcohol/drug test, the employee will be required to provide biological specimens. All testing will be conducted by a company-approved medical testing laboratory, with sample integrity and chain-of-custody procedures in place to ensure proper specimen collection and handling security.
- 2) Employees required to take an alcohol/drug test will be required to sign an Alcohol/Drug Testing Consent Form to authorize release of all the results to LMLM.
- 3) Employees are expected to cooperate fully during an alcohol/drug test. An employee who fails to provide specimens; refuses to sign consent forms releasing test results to the company; attempts to contaminate specimens; or otherwise interferes with the testing, will be immediately suspended pending review for possible disciplinary action up to an including termination.
- 4) If the employee refuses to take the alcohol/drug test based on reasonable suspicion, an attempt will be made to have the employee otherwise observed/evaluated by a medical facility. If the employee refuses to allow medical observation/evaluation, he/she will be taken home in supervised transportation and immediately suspended pending review for possible disciplinary action up to an including termination.
- 5) Under no circumstances will an employee suspected of being under the influence of alcohol or an illegal drug be permitted to operate a vehicle.

3.2 APPROVALS FOR TESTING

Except for pre-employment and random testing, all other drug testing must be approved, in advance, by the Vice President of Human Resources or his designated alternate.

3.3 TESTING FACILITY

All drug screen tests will be accomplished by Company designated laboratories where custody can be maintained. Test conducted at other facilities will not be acceptable.

3.4 TEST RESULTS

Test results will be held in strictest confidence and will be revealed only to management and Human Resources staff on a strict need-to-know basis.

4. **Procedures:**

4.1 APPLICANTS

- 4.1.1 All individuals who are offered employment by LMLM will be briefed during the interview process on the requirement specified in paragraph 3.1.1 as a condition of employment.

- 4.1.2 Specific mention will be made of the fact that a positive test result will cancel any offer of employment.
- 4.1.3 During the employment sign-up process, each individual will be required to sign an acknowledgment of the Company's program to achieve a drug-free workplace.

4.2 EMPLOYEES

- 4.2.1 As part of each employee's initial briefings, the provisions of this SOI and other data related to the Company's position on a drug-free workplace will be covered in detail.
- 4.2.2 In compliance with the Omnibus Drug Bill referenced in paragraph 2.1, employees are required to notify the Company of any drug abuse conviction within five (5) days after such conviction. In turn, the Company is required to notify the cognizant contracting agency within ten (10) days after learning of the conviction either from the employee or from some other source. Failure of an employee to provide the required notice within the specified time frame will subject the individual to immediate termination.
- 4.2.3 If an employee receiving a drug abuse conviction has a Security Clearance, it will be canceled immediately and an adverse information report will be sent to DISCO as required by the DoD Industrial Security manual.
- 4.2.4 An employee terminated for alcohol/and or drug abuse will not be considered for rehire. Exceptions to this policy must be approved by the organization Vice President and the Vice President of Human Resources.

4.3 EMPLOYEE ASSISTANCE ACTIVITIES

- 4.3.1 Employee assistance support related to substance abuse problems will be established at work sites based on duration of the contract, number of employees assigned to the site, and the availability of local resources.
- 4.3.2 The company has contracted with an agency to administer its Employee Assistance Program (EAP). Their (800) number will be posted at each company worksite.
- 4.3.3 Contacts will be made with local substance abuse counseling agencies and related organizations. The purpose of these contacts will be to obtain assistance in establishing local sources for counseling, education and training, and rehabilitation programs.
- 4.3.4 Employees seeking assistance will be assured that the strictest possible confidentiality will be maintained at all times regarding their activities. Only the employee and those management officials who have an absolute "need-to-know" will have any knowledge of the employee's actions.
- 4.3.5 Employees who voluntarily admit to a drug/alcohol abuse problem prior to any apprehension, arrest, or charge of substance abuse may be granted up to thirty (30) days leave without pay to participate in a rehabilitation program. This leave without pay will be granted only if the employee also agrees to participate in a voluntary drug testing program after returning to work. The leave will be granted only once during an individual's employment with Lockheed Martin. Management approval will be obtained by a "Request For Leave Of Absence" form through Management channels. (Attachment 1) The voluntary alcohol/drug

testing will be accomplished by a laboratory approved by the Company, will be at the employee's expense and will be conducted on a quarterly basis for a period of one year after returning to work. A positive test will subject the employee to immediate dismissal.

4.4 TRAINING

- 4.4.1 Beginning with the interview process and continuing throughout the individual's tenure with Lockheed Martin, an on-going emphasis will be made on the importance of drug-free workplaces within the Corporate culture.
- 4.4.2 Utilizing all available company and outside public and civic resources, the Company will maintain a constant program of education, awareness, and assistance.
- 4.4.3 Management personnel will receive initial and periodic specialized training in prevention and identification of substance abuse problems plus counseling techniques, and assistance methodology.